

UNITED STATES BANKRUPTCY COURT FOR THE Eastern District of Virginia IN RE: Circuit City Stores, Inc. CHAPTER 11 CASE NO. 08-35653		§503(b) CLAIM REQUEST FOR PAYMENT
Name of Debtor Circuit City Stores, Inc.	Case Number: 08-35653	
Name and address of Creditor: Laurie Lambert-Gaffney c/o Robert A. Canfield 2201 Libbie Ave., Suite 200 Richmond, VA 23230	<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Check box if you are aware that anyone else has filed an administrative claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input checked="" type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court. </div> <div style="font-size: small;">THIS SPACE IS FOR KCC USE ONLY</div> </div>	
Account or other number by which creditor identifies debtor: 10150025	Check here <input type="checkbox"/> replaces if this claim <input type="checkbox"/> amends a previously filed claim, dated: _____	
1. Basis for Claim <input type="checkbox"/> Goods sold <input checked="" type="checkbox"/> Other (SEE ATTACHED)		
2. Date debt was incurred:	3. If court judgment, date obtained:	
4. Total Amount of § 503(b)(1) Administrative Claim: \$ <u>125,000.00</u>		
If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
5. Brief Description of Claim (attach any additional information) <p style="text-align: center; font-size: large;">See attached</p>		
6. Credits and Setoffs: The amount of all payments on this claim has been credited and deducted for the purpose of making this claim. In filing this claim, claimant has deducted all amounts that claimant owes to the debtor.		This Space is for KCC Use Only
7. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.		
8. Date-Stamped Copy: To receive an acknowledgment of the filing of your administrative claim, enclose a stamped, self-addressed envelope and copy of this administrative claim.		
Date 6/26/09	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): Name: Robert A. Canfield Title: Attorney for Laurie Lambert-Gaffney	
Penalty for presenting a fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571		

COPY

10150025,Lambert Gaffney,Laurie
N/A, 1/1/2008, Cash



Circuit City Stores, Inc.
9950 Mayland Drive
Richmond, VA 23233-4164

January 3, 2008

Laurie Lambert Gaffney
432 Shadow Creek Lane
Manakin Sabot, VA 23103

Dear Laurie:

Congratulations! The Compensation and Personnel Committee of the Board of Directors (the "Committee") has awarded you a special cash retention award (the "Award") subject to the terms of this Award letter. The purpose of this Award is to reward, motivate and retain management personnel who are key to the Company's turnaround efforts and long term success. To accept this Award, please sign the enclosed copy of this letter, and return it as indicated in item 6 below.

Subject to the requirements and limitations set forth in this Award letter, your Award, Award Date, and Vesting Dates are as follows:

Total Cash Retention Award:	\$125,000
Award Date:	January 1, 2008
<u>Vesting Dates</u>	<u>Vesting %</u>
January 1, 2009	50%
January 1, 2010	50%

For purposes of this Award letter, "Company" means Circuit City Stores, Inc. or a parent or subsidiary of Circuit City Stores, Inc. within the meaning of section 424(e) and (f) of the Internal Revenue Code of 1986, as amended.

Your right to receive the portion of your Award corresponding to the above Vesting Dates is contingent on (i) your agreeing to the terms of this Award by signing and returning the enclosed copy of this letter, and (ii) your remaining continuously employed on a full-time active basis with the Company through and including the corresponding Vesting Date. If you satisfy these requirements, the portion of your Award that becomes vested will be paid to you in a single lump sum cash payment within 75 days following the Vesting Date. Your right to this Award is not contingent on corporate or individual performance.

Forfeiture. If prior to becoming fully vested in your Award, (i) your employment with the Company terminates for any reason other than your death or permanent disability, or (ii) your employment status with the Company changes to part-time, or (iii) you retire from the Company, then the unvested portion of your Award will be forfeited as of the date of your termination, change in status, or retirement, as the case may be.

If your employment with the Company terminates on or before a Vesting Date because you die or become permanently disabled, then the portion of your Award scheduled to vest on such Vesting Date will vest as of the date of your death or termination for disability (assuming you otherwise meet the requirements under this Award letter), and any portion of your Award that would have vested on a subsequent Vesting Date will be forfeited. For example, if your employment terminates under these circumstances on or before January 1, 2009, the portion of your Award scheduled to vest on that date will vest, and any portion that would have vested on a subsequent Vesting Date will be forfeited.

The Committee will determine whether a permanent disability exists for purposes of the foregoing, and such determination will be conclusive and binding.

Other terms relevant to this Award letter are set forth below.

1. **Modification.** The Committee may unilaterally modify the terms of this Award letter after the Award Date provided that your consent is obtained with respect to any modification that would be detrimental to your rights hereunder, except that your consent will not be required to the extent any such modification is to comply with applicable law.

2. **Change of Control.** If you remain continuously employed on a full-time active basis with the Company through and including the date on which a Change of Control of the Company occurs, then notwithstanding any provision herein to the contrary, any restrictions hereunder on your outstanding Award shall lapse as of such date. For this purpose, "Change of Control" has the meaning set forth in the Circuit City Stores, Inc. 2003 Stock Incentive Plan, as amended and restated, effective December 14, 2006, and that definition is incorporated by reference into, and made a part of, this Award letter. Generally, a Change of Control will be deemed to occur upon any of the following events: (i) the acquisition by any person or entity of 35% or more of either the Company's outstanding shares or the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (but excluding certain acquisitions involving the Company or an affiliate, or by any benefit plan sponsored by the Company); (ii) the incumbent members of the Board of Directors of the Company (including any future directors whose election is approved by a majority of the incumbent members) cease to constitute a majority of the Board of Directors; (iii) the consummation of a reorganization, merger or consolidation of the Company or sale or other disposition of all or substantially all of the assets of the Company (with certain exceptions, as described in the 2003 Stock Incentive Plan); or (iv) the consummation of a plan of complete liquidation, dissolution, or sale of substantially all the assets of the Company.

3. **Withholding Taxes.** On the Vesting Date, you will have taxable income equal to the amount of your vested Award, and the Company will withhold the amount of taxes required to be withheld or paid.

4. **Interpretation.** The interpretation and construction of any provision or term of this Award letter by the Committee will be final and conclusive. The terms of this Award letter and all actions taken hereunder will be governed by the laws of the

Commonwealth of Virginia, without regard to the conflict of law provisions of any jurisdiction.

5. Miscellaneous.

a. This Award letter is the entire agreement between you and the Company concerning the Award granted hereunder. If you are a party to an Employment Agreement with the Company, you agree that in the case of a conflict between the Employment Agreement and this Award letter, the terms of this Award letter will control.

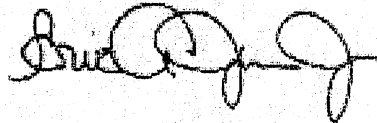
b. Nothing in this Award letter confers any right to continued employment with the Company, or affects the Company's right to terminate an associate's employment at any time, with or without notice, and with or without cause.

c. The Company has no obligation to contribute any assets to a trust or other entity or otherwise to segregate any assets, or maintain separate accounts for the purpose of satisfying the Award obligation hereunder.

6. Acceptance of this Award. In order for your Award to become effective, you must accept it by signing and faxing a copy of this entire letter as soon as possible, but in no event later than February 1, 2008 to **757-299-8412**.

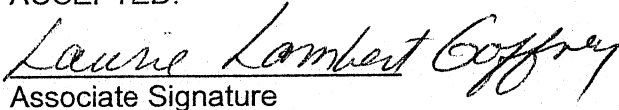
Your signature will also constitute your agreement to the terms and conditions contained in this letter.

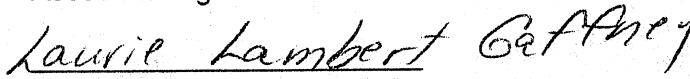
Sincerely,

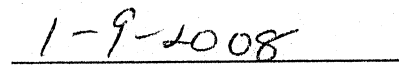


Eric A. Jonas, Jr.
Senior Vice President
Human Resources

ACCEPTED:


Associate Signature


Printed Name


Date



Short-Term & Long-Term Compensation Calendar

Vice President⁽¹⁾

	Jan 09	Mar 09	May 09	Jul 09	Sep 09	Nov 09	Jan 10	Mar 10	May 10	Jul 10	Sep 10	Nov 10	Jan 11
Stock Price Assumption	\$2	\$2	\$2	\$3	\$3	\$3	\$4	\$4	\$4	\$5	\$5	\$5	\$6

Short-Term Incentive

FY09 Annual Incentive Plan Payout

FY10 Annual Incentive Plan Payout

LTI Awards

1/3 of stock options vest under 1/1/08 LTIP

5,000 options @ \$2 = \$0

Shares vesting under 2005 LTIP program

15,625 shares @ \$3 = \$46,875

1/3 of stock options & 1/2 restricted shares vest under 1/1/08 LTIP

5,000 options @ \$4 = \$0 +
5,000 shares @ \$4 = \$20,000

1/3 of stock options & 1/2 restricted shares vest under 1/1/08 LTIP

5,000 options @ \$6 + 5,000 shares @ \$6 = \$47,000

\$47k above includes \$20k associated with the restricted share vest, and \$27k for the accumulated vested options at an exercise price of \$4.20 (\$6-\$4.20) * 15,000 vested options = \$27,000

One-Time Cash Retention Award

50% of 1/1/08 Retention Award Vests

\$62,500

1/3 of 9/29/08 Cash Plan vests

\$45,000 target

1/3 of 9/29/08 Cash Plan vests

\$45,000 target

\$112,500 max

1/3 of 9/29/08 Cash Plan vests

\$45,000 target

\$112,500 max

50% of 1/1/08 Retention Award Vests

\$62,500

(1) Diagram illustrates potential earnings based upon full participation in each program listed and various stock price assumptions.